

## DEPARTMENT OF FINANCE BILL ANALYSIS

**AMENDMENT DATE:** June 5, 2008  
**POSITION:** Neutral  
**SPONSOR:** California Citrus Nursery Society and California Citrus Mutual

**BILL NUMBER:** SB 1466  
**AUTHOR:** E. Corbett

### **BILL SUMMARY: Citrus Nursery: Stock Pest Cleanliness Program**

This bill would require the California Department of Food and Agriculture (CDFA) to develop, establish, and administer the Citrus Nursery Stock Pest Cleanliness Program by January 1, 2010. This bill would require CDFA to hold fact finding meetings by July 31, 2009, throughout the state to receive and consider information from interested parties in developing the program. This bill would also specify what components the program must include.

### **FISCAL SUMMARY**

This bill specifies that the Secretary of CDFA may establish rates or prices (assessments) to cover the costs for the administration, testing, inspection, and other services required by the new program. The bill also specifies that the nursery stock license fee shall be factored into the calculation of rates or prices for the services provided by the CDFA under this program.

The CDFA indicates that it would cost the department at least \$350,000 to administer the new mandatory program. If the CDFA is required to test for pathogens not included in the current voluntary program, the program costs would be greater. Additional staff time would also be required to develop regulations and see them through the regulatory process, further increasing program costs by an unknown amount.

### **COMMENTS**

Existing law authorizes the CDFA to provide for periodic inspections of nurseries and prescribe standards of cleanliness for nursery stock which is produced or sold in the state. The cost of the current voluntary program is approximately \$100,000.

The CDFA indicates that this bill would cost the department at least \$350,000 (an increase of \$250,000) to administer the new program; however, the bill provides for a cost recovery mechanism by allowing the Secretary of CDFA to establish assessments on industry to cover costs. Also, since this bill is sponsored by industry, it appears that they would be in support of the new program and the corresponding assessments that would be placed on them to fund the program. We would note that any request for additional resources is subject to review and approval through the annual budget process.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)								
	LA	(Dollars in Thousands)								
	CO	PROP								Fund
	RV	98	FC	2008-2009	FC	2009-2010	FC	2010-2011	Code	
8570/Food & Ag	SO	No	C	\$250	C	\$250	C	\$250	0111	
<u>Fund Code</u>	<u>Title</u>									
0111	Department of Agriculture Account, Ag Fd									

Analyst/Principal (0221) R. Baker	Date	Program Budget Manager Todd Jerue	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

**BILL ANALYSIS** Form DF-43 (Rev 03/95 Buff)